

REMARKS

Claims 1-18 are pending and at issue in this patent application. Of these, claims 1, 7, 12, 14, and 17 are independent. Applicants respectfully request reconsideration and favorable action in this case.

The foregoing amendments should be entered, as there is good and sufficient reason why such amendments have not yet been presented. Specifically, it has only now become apparent that the examiner appears to accord no meaning to the term “exclusive” in, for example, claim 17. Instead, it has only now become apparent that the examiner apparently views actions of redeeming the gift card by the purchaser as satisfying the “exclusive” aspect of the designation step in claim 17. Accordingly, there exists good and sufficient reason why the present amendments were not earlier presented.

The rejection of claims 1-18 as directed to non-statutory subject matter under 35 U.S.C. § 101 is fatally flawed and must be withdrawn. Despite applicants’ prior request, the action does not provide a proper basis for this rejection. Instead, the only reason given in the action in support of the Section 101 rejection is claims 1-18 “do not recite any structure or functionality to suggest that a computer performs the recited claims.”

Applicants are unaware of any statutory requirement, any requirement under 37 CFR, or any provision within the MPEP, that limits the patentability of methods to only those methods that require that “a computer performs the recited claims.” Section 707.07(d) of the MPEP states, quite clearly, that the action “should state the *statutory basis* for any ground of rejection by express reference to a section of 35 U.S.C. . . . (emphasis in original). Again, there is no statutory basis to reject claims 1-18 as non-statutory based on the reason given in the action. Thus, the rejection is totally without basis and must be withdrawn, and/or the

office must issue a new and non-final action supplying the legal basis for the Section 101 rejection.

Moreover, the Section 101 rejection is contrary to the examination guidelines contained in Section 2106 of the MPEP. Specifically, at Section 2106.II.A, the MPEP states that the claim as a whole must accomplish "a practical application" and "it must produce a useful, concrete and tangible result." The same section gives examples of what constitutes a "practical application", including:

"transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces a 'useful, concrete and tangible result' --a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades."

(Citation omitted).

From the foregoing example, it is readily apparent that applicants' claims likewise produce a "useful, concrete and tangible result." Applicants' claim 1, for example, involves forwarding information pertaining the selected and activated giftcard to a server computer, and then transferring proceeds between retailers in accordance with the information. Applicants are a loss to explain why calculating a final share price is statutory subject matter, while forwarding activated giftcard information to a server computer and then transferring proceeds from the first retailer to the second retailer in accordance with the information is non-statutory subject matter. To the contrary, the practical application is evident from the plain and ordinary language of the claim.

Further explanation is given at Section 2106.IV.A (at page 2100-11, Rev. 2, May 2004), which states that "subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable." Clearly, applicants are not

claiming a law of nature or natural phenomenon, and from the foregoing paragraph it is apparent applicants claims have the requisite “practical application” in conformity with Section 2106. Applicants' claims produce a concrete and tangible result: take information related to the gift card transaction and its activation, forward that information to a server computer, and permit proceeds to be transferred between retailers in accordance with the forwarded information. There can be no question that applicants' claims are directed toward statutory subject matter within the dictates of Section 2106 of the MPEP. The Section 101 rejection must be withdrawn.

The rejection of claim 1 as obvious over Risafi et al. in view of Walker et al. must be withdrawn. Claim 1 positively recites, in part, selling a disposable giftcard at a first retailer and for exclusive use with a designated second retailer, designating the second retailer with whom the giftcard may be exclusively used, and activating a selected one of the displayed giftcards for exclusive use with the designated second retailer upon receipt of a purchase amount from a customer.

By comparison, Risafi fails to teach or even suggest such limitations. The passage in Risafi referred to by the examiner (Col. 5, line 17) merely gives a laundry list of the types of parties that may use the prepaid card of that reference. The passage says nothing about a first retailer, says nothing about designating a second retailer where the card can be used exclusively, etc. The passage at Col. 16, lines 11-33 relates to a telephone services provider, and applicant is at a loss regarding how the examiner can view a telephone services provider as a retailer, much less as the second retailer as claimed. Simply put, it is not reasonable to equate the term “services provider” (which sells services, but not goods) to the term “retailer” (which sells goods, but not services). See Section 2111 of the MPEP. The action fails to provide any basis whatsoever for reading a “services provider” as a “retailer.” Applicant

raised this same point earlier, and the examiner merely restates the same rejection. In accordance with MPEP 707.07(f), the examiner is required to “answer the substance” of applicant’s response. Simply put, this action fails to answer applicant’s argument. Thus, the rejection is fatally flawed and must be withdrawn on this basis alone.

Moreover, Risafi at Fig. 2 contemplates withdrawing cash. If the telephone company is a second retailer, how is one supposed to withdraw cash from the telephone company? Further, there can be no suggestion to eliminate this aspect without destroying the express teachings of the reference. See generally the MPEP at section 2141.02. It appears there would be no way to modify the reference and/or make the combination without using applicants’ own disclosure as a template, which is impermissible. There simply cannot be a proper *prima facie* case of obviousness based even in part on Risafi, and thus the rejection must be withdrawn.

Still further, the passages from Walker cited by the Examiner teach directly away from the claimed invention. Specifically, the action cites Walker at column 5, lines 25-38, in support of the contention that Walker discloses a second retailer as claimed, stating:

Walker et al teach that a user purchasing the giftcertificate [sic]  
may select merchants or retailers in which the gift recipient  
may use the gift certificate.”

Detailed action, at page 3.

However, at lines 30-38 of Walker, it becomes apparent that the certificate is being issued by a credit card issuer and that the invention of Walker is directed to reduce the instance of fraud caused by the use of “convenience checks” as gifts. Further, as shown in Fig. 1 of Walker, that reference contemplates only a single retailer. Where then is the suggestion to supply the second retailer, if that second retailer cannot be found in Walker and

cannot be found in Risafi? No proper suggestion has been supplied, and thus there cannot be a proper *prima facie* case of obviousness.

Moreover, as pointed out by the Examiner, Walker expressly teaches that the ability to designate a merchant with whom to redeem the gift certificate is left to the gift recipient. This aspect of the reference teaches directly away from the claimed method, in which the redemption is exclusive to a designated second retailer, and in which the claimed activation step activates the card for exclusive use with the designated second retailer. Thus, the Walker reference plainly teaches away from the claimed invention, and instead teaches that the recipient of the gift certificate may redeem the gift certificate at any merchant of his choosing. There would be no suggestion to discard this express teaching of Walker, and therefore there cannot be a *prima facie* case of obviousness based even in part on the Walker reference. See generally the MPEP at Section 2141.02 (prior art must be considered in its entirety, including disclosures that teach away from the claimed invention). Again, there can be no proper *prima facie* case of obviousness based even in part on Walker. Accordingly, claim 1 is in allowable form.

Claims 2-6 depend from claim 1, either directly or through intervening claims. Accordingly, these claims are also in allowable form.

With respect to independent claim this 7, 12, 14 and 17, for the reasons outlined above with respect to claim 1, there likewise cannot be a proper *prima facie* case of obviousness of these claims based on the cited combination. Accordingly, those independent claims, and the claims dependent thereon, are all in allowable form.

**CONCLUSION**

Applicants submit that this case is in a condition for immediate allowance. For the foregoing reasons and for other reasons clearly apparent, Applicants respectfully request reconsideration and allowance of rejected claims 1-18.

If there are matters that can be discussed by telephone to further the prosecution of this application, the Examiner is invited to call the undersigned attorney at the number listed below.

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May 6, 2005